

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1963 - SB 2192**

March 8, 2014

**SUMMARY OF BILL:** Enacts the “Fair and Clear Teacher Evaluation System Act” which prohibits teaching evaluations from being based on test scores or other data from students in subjects, classes, or grades in which the teacher did not teach or have input. Requires teaching evaluations to be transparent and provide consistent and valid measurements and to use a pre- and post-test system within a teacher’s class and subject that is developed by each local education agency (LEA). Require the post-test to be given two weeks prior to the last day of the academic year or semester. Prohibits student data from students who were not present in the teacher’s class at the beginning of the year or semester from being included in the teaching evaluation. Requires the observation portion of the teaching evaluation to be increased and given increased scoring weight, if pre-test and post-test data is not available. Prohibits the use of school-wide data if classroom data is available for use.

Requires local education agencies (LEAs) to allow teachers and schools to choose whether to use unaltered test scores or Tennessee Value Added Assessment System (TVAAS) data for 50 percent of required criteria that is composed of student achievement data, with any such decisions being made collaboratively; however, teachers and principals shall have final decision-making authority for their own evaluations and for those of their schools, respectively. Requires LEAs to allow a reduction in the use of student growth data to determine a teacher’s overall evaluation score, if the teacher has achieved an effectiveness level of “above expectations” or “significantly above expectations” on the observation portion of the evaluation, but the student growth data portion of the evaluation reflects an effectiveness level of “below expectations” or “significantly below expectations”. Requires the evaluation structure to minimize paperwork, reporting, and testing so that instructional time may increase.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$85,900**

**Increase Local Expenditures - \$248,597,000\***

**Other Fiscal Impact – Based on the information provided by the Department of Education, the federal government may require the state to repay a portion of the Race to the Top grant funding that has already been drawn down; withhold future grant funding; or both. Any such impacts cannot be reasonably quantified and is dependent upon the response and action taken by the federal government.**

Assumptions:

- The Department of Education will hire one new employee for the state evaluation team to support LEAs in the development, modification, and reporting of new pre- and post-tests. The recurring increase in state expenditures is estimated to be \$85,876 (\$70,000 salary + \$15,876 benefits).
- Students in all subjects will be required to take pre- and post-tests.
- There are an estimated 930,000 students in grades kindergarten through 12<sup>th</sup> grade.
- LEAs will purchase pre- and post-tests.
- In subjects and grades that are currently not a part of the state's standardized test system, each student will take a minimum of two tests in three subjects; for a total of six tests per student.
- Each test will cost \$7.50 per student; for a total of \$45 (6 tests x \$7.50) per student.
- The increase in local expenditures for subjects and grades which are not a part of the state's assessment system is estimated to be \$41,850,000 (\$45 x 930,000).
- Based on information from the Department of Education, a total of 13,783,131 estimated combined pre- and post-tests will be given in subjects and grades that are currently a part of the state assessment system at a cost of \$15 (\$7.50 x 2 tests).
- The increase in local expenditures to purchase pre- and post-tests for subjects and grades that are currently a part of the state assessment system is estimated to be \$206,746,965 (\$15 per combined test x 13,783,131 combined tests).
- The total recurring increase in local expenditures is estimated to be \$248,596,965 (\$41,850,000 + \$206,746,965).
- The Race to the Top grant funding and the state's federal No Child Left Behind (NCLB) waiver were received, partially on the basis of Tennessee's new teacher evaluation model. The full Race to the Top grant amount is \$501,000,000. Based on information provided by the Department of Education, the federal government may require the state to repay a portion of the grant funding that has been drawn down; withhold future grant funding; or both.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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